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Message Text

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ACTION EA-12

INFO OCT-01 IO-13 ISO-00 SP-02 USIA-06 AID-05 EB-08
NSC-05 TRSE-00 SS-15 STR-05 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03
LAB-04 SIL-01 AGRE-00 /094 W
----------000253 230652Z /11
P R 230530Z DEC 77
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC PRIORITY 3803
INFO AMEMBASSY BANGKOK
USMISSION USUN NEW YORK

C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 19683

E.O. 11652: GDS
TAGS: ESCAP, EAID, UNCTAD, EMIN, JA, TH
SUBJECT: GOJ REVIEW OF POSITION ON COMMON FUND, LDC DEBT, ESCAP

REF: TOKYO 19593

1. SUMMARY. EMBOFF AND DEPT. OFFICER WARNE MET WITH DIR. AND DEP. DIR. OF MOFA'S ECONOMIC AFFAIRS DIV. YAGI AND TANABE TO DISCUSS UNCTAD. THEY SAID GOJ BELIEVES COMMON FUND NEGOTIATIONS MUST BE RESUMED TO AVOID CONFRONTATION. YAGI SAID JAPAN HAD BEEN CRITICIZED FOR ITS ROLE IN CF NEGOTIATIONS AND COULD BE MORE FLEXIBLE, BUT WOULD NOT TAKE LEAD. GOJ COULD AGREE TO LDC DEBTOR COUNTRIES CALLING DEBT CONFERENCE, BUT COULD NOT GO ALONG WITH DEBT FORGIVENESS. THEY NOTED EC HAD CALLED FOR A CONFERENCE BETWEEN JAPAN, U.S. AND EC ON THIS ISSUE. GOJ BELIEVES U.S. SHOULD BE ACTIVE IN ESCAP, IN PART TO BALANCE USSR INFLUENCE. GOJ WANTS TO KNOW WHO WILL REPRESENT U.S. AT MARCH UNCTAD TRADE AND DEVELOPMENT BOARD CONFERENCE. END SUMMARY.

2. EMBOFF AND W. R. WARNE, ON OREINTATION VISIT FROM DEPARTMENT'S EA BUREAU, DEC. 21, MET WITH CONFIDENTIAL

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MASAKI YAGI AND TOSHIAKI TANABE, DIRECTOR AND DEP. DIR. OF MOFA'S ECONOMIC AFFAIRS DIVISION. THEY TOLD U.S. OFFICERS THAT JAPAN FEELS COMMON FUND (CF) NEGOTTIATIONS MUST BE RESUMED OR THERE WILL BE A CONFRONTATION WITH UNCTAD. JAPAN DOES NOT AGREE, THEY SAID, WITH THE STRONG POSITION U.S. TAKING REGARDING NEGOTIATIONS WITH THE LDC'S ON CF. THEY

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ARGUED THAT A COMPROMISE SHOULD BE FOUND TO BREAK
THE DEADLOCK SUCH AS AGREEING TO SETTING UP A MODEST
"SECOND WINDOW" TO WHICH DCS WOULD MAKE CONTRIBUTIONS.
GROUP B SHOULD PARTICULARLY SEARCH FOR A COMPROMISE
WITH THE AFRICANS, LATIN AMERICANS AND PERHAPS OTHERS.

3. ON FUNDING FOR CF, YAGI SAID, THE GOJ AGREES
WITH PRIMARILY POOLING RESOURCES OF INTERNATIONAL
COMMODITY AGREEMENTS (ICA), BUT SOME RESOURCES SHOULD
BE MADE DIRECTLY AVAIALABLE TO CF. GOJ SUGGESTS, FOR
EXAMPLE, THATTHE CALLABLE CAPITAL OF ICAS COULD BE
BROKEN DOWN AS OFLLOWS: (A) 75 PERCENT ALLOCATED TO
EACH ICA, AND (B) 25 PERCENT MADE AVAILABLE DIRECTLY
TO CF FOR ITS OWN RESOURCES. THE CF COULD USE THIS
AS COLLATERAL FOR RAISING ITS OWN FUNDS ON CAPITAL
MARKETS. THE FRENCH, ALONG WITH A FEW OTHER COUNTRIES,
THEY SAID, SEEMED TO LIKE THE IDEA. THEY THOUGHT
THAT THE BRITISH WOULD CONSIDER IT.

4. YAGI ADDED THAT THE GOJ HAD BEEN CRITICIZED FOR
ITS POSITION AT THE RECENT CF NEGOTIATION. THE

JAPANESE PRESS, FOR EXAMPLE, THOUGHT THE GOJ SHOULD
AVOID A CONFRONTATION WITH LDCS IN ORDER TO PREVENT
A RETURN TO THE ACRIMONIOUS SITUATON OF THE 1974-75
PERIOD. IN ADDITION, SEVERAL ASEAN COUNTRIES HAD
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INDICATED DISSATISFACTION WITH GOJ POSITION. YAGI
NOTED THAT EVEN THOUGH GOJ WAS PREPARED TO BE SOME-
WHAT MORE FLEXIBLE ON KEY CF ISSUES, IT WOULD NOT
TAKE THE LEAD. THE GOJ PLANNED TO CONTINUE TO SUP-
PORT THE CONSENSUS POSITION OF GROUP B. HOWEVER, THE
GOJ NOW HAD A FALLBACK POSITION, IF IT WAS NECESSARY
TO SHOW FLEXIBILITY. YAGI INDICATED A DESIRE TO
CONSULT WITH U.S. OFFICIALS AT THE APPROPRIATE TIME.
HE SUSPECTED CF WOULD BE A MAJOR ADDITIONAL ISSUE AT
THE NEXT TDB MEETINGS.

5. REGARDING THE FORTHCOMING UNCTAD DEBT DISCUSSIONS,
GOJ OFFICIALS SAID THAT GOJ COULD AGREE TO ALLOWING
INDIVIDUAL LDC DEBTOR COUNTRIES TO CONVENE CONFERENCES
WITH CREDITOR NATIONS. THEY NOTED THAT ON DEC 21,
GOJ HAD RECEIVED AN ECE PROPOSAL THAT JAPAN, THE U.S.,
AND THE EC SHOULD MEET TO DISCUSS A COMMON APPROACH
TO INTERNATIONAL DEBT. THEY WERE HIGHLY CRITICAL OF
SCANDANAVIAN, SWISS AND DUTCH UNILATERAL ACTIONS OF
DEBT FORGIVENESS. THEY FELT SUCH ACTIONS WERE POLITICAL
AND NOT BASED ON SOUND PRINCIPLES.

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ACTION EA-12

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NSC-05 TRSE-00 SS-15 STR-05 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03
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----------000350 230651Z /10
P R 230530Z DEC 77
FM AMEMBASSY TOKYO
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C O N F I D E N T I A L SECTION 02 OF 02 TOKYO 19683

6. CONCERNING ESCAP, TANABE SAID GOJ FELT THE U.S. SHOULD REEXAMINE ITS ROLE AND BECOME MORE ACTIVE IN IT. ESCAP WAS A USEFUL ECONOMIC AND POLITICAL INSTITUTION IN WHICH PARTICIPANTS SOUGHT A CONSENSUS AND AVOIDED CONFRONTATIONS. THE GOJ URGED MORE ACTIVE U.S. INVOLVEMENT IN ESCAP ACTIVITIES IN ORDER TO ASSURE THAT THIS USEFUL INSTITUTION MAINTAINED BALANCE. ONLY CAMBODIA WAS BOYCOTTING IT. CHINA (PRC) WAS KEEPING A LOW PROFILE, BUT WAS A MODERATING INFLUENCE, PARTICULARLY REGARDING USSR MANEUVERINGS. YAGI WARNED THAT THE U.S. SHOULD BE CAREFUL OF THE USSR ROLE IN ESCAP. AS AN ILLUSTRATION, HE DESCRIBED A LARGE MAP, SUPPOSEDLY OF ESCAP COUNTRIES, CARVED IN MARBLE, THAT THEUSSR DONATED TO ESCAP HEADQUARTERS. THE MAP, MOUNTED ON THE WALL AT THE ESCAP ENTRANCE STAIRS, DEPICTS AN OVERSIZE SOVIET UNION DOMINATING THE ENTIRE ASIAN-EUROPEAN WORLD. THE U.S. IS NOT SHOWN AT ALL, AND EVEN CHINA IS IN A DIMINISHED POSITION. YAGI SAID THE MAP WAS SO BLATANTLY HEAVYHANDED THAT HE FEELS, POLITICALLY, THE USSR MADE A BIG MISTAKE.

7. YAGI WANTED TO KNOW WHO WOULD REPRESENT THE
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U.S. AT THE FORTHCOMING UNCTAD TRADE DEVELOPMENT CONFERENCE. THE GOJ HEARD THAT UNDER SEC. COOPER MIGHT BE THE U.S. REPRESENTATIVE TO THE MINISTERAIAL MEETING. USHIBA, HE SAID, COULD NOT GO (CONTRARY TO REF-TEL). ACTION REQUESTED: WE WOULD APPRECIATE BEING INFORMED, WHEN APPROPRIATE, WHO WILL BE LEADING THE U.S. DELEGATION TO THE UNCTAD TDB MINISTERIAL.
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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TAGS: EAID, EMIN, JA, TH, UNCTAD
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Type: TE
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